

REQUEST FOR PROPOSALS
RFP

RFP# 20090702

Issue Date:

Title: Auditing Services/Local VASAP Programs

Commodity Code: 94620

Issuing Agency: Commonwealth of Virginia
Commission on VASAP
701 East Franklin Street, Suite 1110
Richmond, VA 23219

Period of Contract: From July 1, 2009 through June 30, 2012
(renewable)

Sealed Proposals Will Be Received Until July 31, 2009
For Furnishing The Services Described Herein.

All Inquiries For Information Should Be Directed To: Debra D. Gardner

Phone: (804) 786-5895

IF PROPOSALS ARE MAILED, SEND DIRECTLY TO ISSUING AGENCY SHOWN ABOVE. IF
PROPOSALS ARE HAND DELIVERED, DELIVER TO:

<u>701 East Franklin Street</u>	<u>11th</u>	<u>1110</u>
Street Address	Floor	Room No.

In Compliance With This Request For Proposals And To All The Conditions Imposed Herein, The Undersigned Offers and Agrees To Furnish The Services In Accordance With The Attached Signed Proposal Or As Mutually Agreed Upon By Subsequent Negotiation.

Name And Address Of Firm:

Date: _____

By: _____

Printed Name

_____ Zip Code: _____

FEI/FIN No. _____

Signature In Ink

Telephone Number: _____

Title: _____

PRE-PROPOSAL CONFERENCE: No pre-proposal conference will be held. Requestor will be available by phone at (804) 786-5895 or e-mail at dgardner.vasap@state.va.us to answer questions.

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June 15, 2009

REQUEST FOR PROPOSAL
AUDITING SERVICES

I. PURPOSE

The intent and purpose of the Request for Proposal (RFP) is to establish a term contract(s) with certified public accountants (hereinafter called the “auditors”) to perform independent audits of regional Alcohol Safety Action Programs (ASAP) for the Commission on the Virginia Alcohol Safety Action Program (hereinafter called “VASAP”). The auditor(s) shall perform financial and compliance audits at 24 local VASAP offices indicated by Attachment B. Under this solicitation, VASAP reserves the right to award the contract to the Auditor in its evaluation that is best able to perform all services requested. The audits are for the fiscal years beginning July 1, 2009 and ending June 30, 2012, in accordance with the requirements set forth herein. The awarded contract may be extended for a total of two years at one year increments. This RFP is issued pursuant to the Virginia Public Procurement Act, Code of Virginia, (Title 2.2, Chapter 43).

II. BACKGROUND

The Virginia Alcohol Safety Action Program (VASAP) is a criminal justice program under court direction whose purpose is to decrease the incidence of the drinking driver problem which, in Virginia, causes approximately half of all fatal crashes.

Pursuant to Section 18.2-271.1, Subsection H, Code of Virginia (1950) as amended, the Commission on VASAP, or any county, city, town or any combination thereof may establish and operate alcohol safety action programs, driver alcohol education programs or other related ancillary programs in connection with highway safety. Each such program operates under and in accordance with procedures and regulations approved and promulgated by the Commission on VASAP. The Commission establishes minimum standards and criteria for the implementation and operation of such programs to ensure that they meet the minimum standards stipulated by the Commission. The Commission also establishes criteria for the administration of such programs, for public information activities, for accounting procedures, for the auditing requirements of such programs and for the allocation of funds.

Local programs are established at local option or at the direction of the Commission. The primary source of revenue for the 24 local programs operating in this state is from fees charged to persons entering the program.

Past audits of local programs have been conducted by certified public accountants in accordance with directives from the Commission. Such audits were contracted for and at the direction of the Commission on VASAP which paid the costs of the audit.

The programs to be audited vary in size. Operational revenues range from a low of approximately \$100,000.00 per year to a high of approximately \$1,000,000.00 per year. The average number of offenders served ranges from 400 per year to 4,000 per year. Full-time personnel range from two persons to 30 persons.

ASAP programs are funded from fees paid by offenders who enter the programs under Section 18.2-271.1 et. al., Code of Virginia. Several programs will have sources of revenue derived from ancillary programs as well as Federal Grant Awards. All revenue sources will be part of the audit performed.

III. STATEMENT OF NEEDS

A. SCOPE

The scope of the audit should include an examination of the financial statements for each year ending June 30th, a review of internal controls, testing of the accounts and records as considered necessary in the circumstances in accordance with generally accepted auditing standards, the Single Audit Act of 1994 as amended where applicable, and the Specifications for Audit of Authorities, Boards and Commissions issued by the Auditor of Public Accounts (§30-140, Code of Virginia). The auditor shall determine if the program is in compliance with Policy Board directions and Commission on VASAP regulations regarding financial and administrative operation of the programs.

The auditor shall determine if the local program has complied with the provisions of Section 18.2-271.1 et. al., Code of Virginia (1950), as amended. This includes but is not limited to, the determination of whether the authorized percentage of defendant fees (not to exceed ten percent), as determined by the Commission on VASAP has been properly remitted for timely deposit with the State Treasurer and that the balance has been held in separate fund for local administration of driver alcohol rehabilitation programs.

For Federal Grant expenditures, the auditor shall determine if they have been made in accordance with the conditions of the grant and in compliance with Federal guidelines, and that if applicable, these funds have not been comingled with ASAP revenue.

B. FINANCIAL REPORTING

The auditor shall prepare the financial statements, opinion on the financial statements, and report on internal controls and compliance. These financial statements must include (at a minimum) a balance sheet, a statement of revenues and expenditures – budget and actual, and footnotes prepared in accordance with generally accepted accounting principles. In addition, if applicable, a schedule of federal financial assistance, audit reports required by the Single Audit Act, and a management letter must be prepared.

Should circumstances disclosed by the audit call for more detailed investigation by the auditor than necessary under ordinary circumstances, the auditor shall inform the Executive Director of the Commission on VASAP of the need for such additional investigation and the additional compensation required therefore.

The Commission on VASAP, through its Executive Director, will request special audits to be made by the auditor. The scope, time frame and cost will be determined at the time of the request by the auditor and the Executive Director of the Commission on VASAP.

C. DEADLINE FOR SUBMITTING AUDIT(S)

The financial statements and auditor's reports thereon must be received by the Executive Director of the Commission on VASAP no later than sixty (60) days after completion of the audit.

IV. PROPOSAL PREPARATION AND SUBMISSION REQUIREMENTS

A. GENERAL REQUIREMENTS

1. RFP Response: In order to be considered for selection, the auditor must submit one original and three (3) copies clearly identifying the RFP for which proposals are offered, to the issuing state agency.

2. Proposal Preparation:

- a. Proposals shall be signed by an authorized representative of the Auditor. All information requested must be submitted. Failure to submit all information requested may result in the agency receiving a lowered evaluation of the proposal. Mandatory requirements are those required by law or regulation or are such that they cannot be waived and are not subject to negotiation.
 - b. Proposals should be prepared simply and economically, providing a straightforward, concise description of capabilities to satisfy the requirements of the RFP. Emphasis should be on completeness and clarity of content.
 - c. Each copy of the proposal should be bound in a single volume where practical. All documentation submitted with the proposal should be bound in that single volume.
 - d. Ownership of all data, material and documentation originated and prepared for the State pursuant to the RFP shall belong exclusively to the State and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by the Auditor shall not be subject to public disclosure under the Virginia Freedom of Information Act. However, to prevent disclosure, the Auditor must invoke the protection of §2.2-4342 of the Code of Virginia, in writing, either before or at the time the data or other materials is submitted. The written request must specifically identify the data or other materials to be protected and state reasons why protection is necessary. The proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information. The classification of an entire proposal document, line item prices and/or total proposal prices as proprietary or trade secrets is not acceptable and will result in rejection and return of the proposal.
3. Oral Presentation: Auditors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the Executive Director of the Commission on VASAP. This will provide an opportunity for the auditor to clarify or elaborate on the proposal but will in no way change the original proposal. The Executive Director will schedule the time and location of these

presentations. Oral presentations are an option of the Executive Director and may not be conducted. Therefore, proposals should be complete.

B. SPECIFIC REQUIREMENTS

Proposals should be as thorough and detailed as possible so that the Commission may properly evaluate the auditor's capabilities to provide the required services. Auditors are required to submit the following items as a complete proposal:

1. The return of the completed RFP signed, and filled out as required.

C. SUBMIT A WRITTEN NARRATIVE TO INCLUDE:

1. Title Page

Show the RFP subject, the name of the auditor's firm, local address, telephone number, name of contact person, and date.

2. Table of Contents

3. Letter of Transmittal (limit to three pages no smaller than 10 pt. type):

- A statement by the prospective auditor of his understanding of the work to be done with descriptions of the audit approach and illustrations of the procedures to be employed.
- The approximate dates the audit will begin and end, each year, as well as approximate dates for delivery of the financial statements and the management letters.
- An acknowledgment and verification that the auditor is able to perform audits in all areas of the state.
- Biographies and experiences of the individuals who will be assigned to the engagement, to include relevant experiences of each in auditing governmental organizations.
- Names, addresses and telephone numbers of persons who may be contacted for reference (Attachment A).

4. Estimate of Fees

Auditors should be prepared to discuss a non-binding estimate of the total fees for services during the discussion phase of this procurement. A “not to exceed” limit is requested.

V. EVALUATION CRITERIA

A. EVALUATION CRITERIA

Proposals shall be evaluated by the Commission on VASAP and selection will be made in accordance with §§2.2-4300-4303, Code of Virginia using the following criteria:

Point Value

- | | |
|-----------|---|
| 30 | 1. The skill, experience, training and time commitments of the specified persons who will be performing the services requested. |
| 30 | 2. Approach to the audit. |
| 25 | 3. Time proposed to complete the engagement. |
| <u>15</u> | 4. Recommendation of clients. |
| 100 | |

B. AWARD OF CONTRACT

Contract award will be based upon initial responses and an emphasis on professional competence. Selection shall be made from qualified, responsible audit firms deemed suitable to provide the required services. Repetitive informal interviews shall be permissible. Auditors shall be encouraged to elaborate on their qualifications and performance data or staff expertise pertinent to the proposed project, as well as alternative concepts. At the discussion state, the Executive Director may discuss non-binding estimates of total project costs, including, but not limited to, life-cycling costing, and where appropriate, non-binding estimates of price for services. Proprietary information from competing auditors shall not be disclosed to the public or to competitors. At the conclusion of the informal interviews, on the basis of the evaluation factors published in the Request for Proposal and all the information developed in the selection process to this point, the Executive Director of the Commission on

VASAP shall select, in the order of preference, auditors whose professional qualifications and proposed services are deemed most meritorious. Negotiations shall then be conducted beginning with the auditor ranked first. If a contract is satisfactory and advantageous to the Commission on VASAP and it can be negotiated at a price considered fair and reasonable, the award shall be made to that auditor. Otherwise, negotiations with the auditor ranked first shall be formally terminated and negotiations will be conducted with the auditor ranked second, and so on, until such a contract can be negotiated at a fair and reasonable price. Should the Commission on VASAP determine in writing and in its sole discretion that only one auditor is fully qualified or that one auditor is clearly more highly qualified and suitable than the others under consideration, a contract may be negotiated and awarded to that auditor.

VI. PRE-PROPOSAL CONFERENCE

No pre-proposal conference will be held. All questions should be referred to the requestor at (804) 786-5895 or by e-mail at dgardner.vasap@state.va.us.

VII. GENERAL TERMS AND CONDITIONS

A. VENDOR'S MANUAL

This solicitation is subject to the provisions of the Commonwealth of Virginia Vendor's Manual and any revisions thereto, which are hereby incorporated into this contract in their entirety. A copy of the manual is normally available for review at the purchasing office. In addition, a copy can be obtained online at <http://www.dgs.virginia.gov/DivisionofPurchasesandSupply/manuals/tabid/421/Default.aspx> or by calling the Division of Purchases and Supply at (804) 786-3842.

B. APPLICABLE LAWS AND COURTS

This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The auditor shall comply with applicable federal, state and local laws and regulations.

C. ANTI-DISCRIMINATION

By submitting their bids or proposals, auditors certify to the

Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964 and 1991, as amended, as well as the Virginia Fair Employment Act of 1975, as amended, and the Virginia Fair Employment Contracting Act where applicable, the Virginians with Disabilities Act, The Americans with Disabilities Act and §2.2-4311 of the Virginia Public Procurement Act which provides:

In every contract over \$10,000 the provisions in 1. and 2. below apply:

1. During the performance of this contract, the auditor agrees as follows:
 - a. The auditor will not discriminate against any employee or applicant for employment because of race, religion, color, sex or national origin, except where religion, sex or national origin is a bona fide occupational qualification reasonably necessary to the normal operation of the auditor. The auditor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
 - b. The auditor, in all solicitations or advertisements for employees placed by or on behalf of the auditor, will state that such auditor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
2. The auditor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

D. ETHICS IN PUBLIC CONTRACTING

By submitting their bids or proposals, auditors certify that their bids or proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other auditor, supplier, manufacturer or subcontractor in connection with their bid or proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised unless consideration of substantially equal or greater value was exchanged.

E. IMMIGRATION REFORM AND CONTRACT ACT

By submitting their bids or proposals, the auditors certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the Federal Immigration Reform and Control Act of 1986 or the Illegal Immigration Reform and Immigrant Responsibilities Act of 1996.

F. DEBARMENT STATUS

By submitting their bids or proposals, auditors certify that they are not currently debarred from submitting bids or proposals on contracts by any agency of the Commonwealth of Virginia, nor are they an agent of any person or entity that is currently debarred from submitting bids or proposals on contracts by any agency of the Commonwealth of Virginia.

G. ANTITRUST

By entering into a contract, the auditor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of the action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.

H. MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS

Failure to submit a proposal on the official state form provided for that purpose may be a cause for rejection of the proposal. Return of the complete document is required. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.

I. CLARIFICATION OF TERMS

If any prospective auditor has questions about the specifications or other solicitation documents, the prospective auditor should contact Debra D. Gardner, whose name appears on the face of the solicitation, no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by VASAP.

J. PRECEDENCE OF TERMS

Paragraphs A-J of these General Terms and Conditions shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

K. INVOICES

Invoices for items ordered, delivered and accepted shall be submitted by the auditor directly to the payment address shown on the contract. All invoices shall show the state contract number.

L. PAYMENT TERMS

Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.

M. QUALIFICATIONS OF AUDITORS

The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the auditor to perform the work/furnish the item(s) and the auditor shall furnish to the Commission on VASAP all such information and data for this purpose as may be requested. VASAP reserves the right to inspect the auditor's physical facilities prior to award to satisfy questions regarding the auditor's capabilities. VASAP further reserves the right to reject any bid or proposal if the evidence submitted by, or investigations of, such auditor fails to satisfy VASAP that such auditor is properly qualified to carry out the obligations of the contract and to complete the work/furnish the item(s) contemplated therein.

N. TESTING AND INSPECTION

VASAP reserves the right to conduct any test/inspection it may deem advisable to ensure supplies and services conform to the specification.

O. ASSIGNMENT OF CONTRACT

The contract shall not be assignable by the auditor in whole or in part without the written consent of VASAP.

P. CHANGES TO THE CONTRACT

Changes can be made to the contract in any one of the following ways:

1. VASAP may order changes within the general scope of the contract at any time by written notice to the auditor. Changes within the scope of the contract include, but are not limited to things such as requests for a special program audit outside of the agreed upon schedule. The auditor shall comply with the notice upon receipt. The auditor shall be compensated for additional costs incurred as the result of such order. Said compensation shall be determined by one of the following methods:
 - a. By mutual agreement between the parties in writing; or
 - b. By agreeing upon a unit price or using the unit price set forth in the contract, if the work to be done can be expressed in units or work performed, subject to VASAP's right to audit the records and to determine the correct number of units independently; or
 - c. By ordering the auditor to proceed with the work and to keep a record of all costs incurred. The auditor shall present VASAP with all vouchers and records of expenses incurred and savings realized. VASAP shall have the right to audit the records of the auditor as it deems necessary to determine costs. Any claim for an adjustment in price under this provision must be asserted by written notice to VASAP within thirty (30) days from the date of receipt of the written order from VASAP. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the disputes clause of the contract or in accordance with the disputes provisions of the Commonwealth of Virginia's Vendor's Manual. Neither the existence of a claim or a dispute resolution process, litigation or any other provision of this shall excuse the auditor from promptly complying with the changes ordered by the Commission on VASAP or with the performance of the contract generally.
2. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.

Q. DEFAULT

In case of failure to deliver services in accordance with the contract terms and conditions, the Commission on VASAP, after due oral or written notice, may procure them from other sources and hold the auditor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which VASAP may have.

VIII. SPECIAL TERMS AND CONDITIONS

A. AUDIT

The auditor hereby agrees to retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The agency, its authorized agents, and/or State auditors shall have full access to and the right to examine any of said materials during said period.

B. AVAILABILITY OF FUNDS

It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

C. CANCELLATION OF CONTRACT

VASAP reserves the right to cancel and terminate any resulting contract, in part or in whole, without penalty, upon 60 days written notice to the auditor. Any contract cancellation notice shall not relieve the contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

D. CLIENT ASSISTANCE

VASAP personnel will not be available to assist auditors in preparing schedules and financial statements. Client assistance will be limited to answering questions necessary for effective completion of the audit.

E. DRUG FREE WORK PLACE

Each of the following acts is prohibited by the auditor and his/her employees performing service under the terms of a contract resulting from this solicitation:

- a. unlawful or unauthorized manufacture, distribution, dispensing, possession or use of alcohol or other drugs at the workplace,
- b. impairment or incapacitation in the workplace from the use of alcohol or other drugs (except the use of drugs for legitimate medical purposes).

F. EXTENSION ON CONTRACT

This contract may be extended by the Commonwealth upon written agreement of both parties for two successive one year periods, under the terms of the current contract, and at a reasonable time (approximately 90 days) prior to the expiration.

G. IDENTIFICATION OF PROPOSAL ENVELOPE

The signed proposal should be returned in a separate envelope or package, sealed and identified as follows:

From: _____

Name of Auditor	Due Date	Time
Street or Box #	RFP No.	
City, State, Zip Code	RFP Title	

Attn: Debra D. Gardner

H. INSURANCE

By signing and submitting a bid or proposal under this solicitation, the auditor certifies that if awarded the contract, it will have the following insurance coverages at the time the work commences. Additionally, it will maintain these during the entire term of the contract. All insurance coverages will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

During the period of the contract, the Commonwealth reserves the right to require the auditor to furnish certificates of insurance for the coverage required.

I. INSURANCE COVERAGES AND LIMITS REQUIRED

- A. Worker's Compensation - Statutory requirements and benefits.
- B. Employer's Liability - \$100,000
- C. General Liability - \$500,000 combined single limit. The Commonwealth of Virginia is to be named as an additional insured with respect to the services being procured.
- D. In addition to the above, various Professional Liability/Errors and Omissions coverages are required for those services indicated as part of the solicitation.

Account - \$1,000,000 per occurrence, \$3,000,000 aggregate.

J. HOLD HARMLESS

The auditor shall hold and save the Commonwealth, the Commission on VASAP, its officers and employees harmless from liability of any value and kind including costs and expenses for or on account of any or all suits or damages of defense of suits or resulting injuries or damages sustained by virtue of the performance of this contract.

K. REPRESENTATIONS OF THE AUDITOR

- A. The auditor must represent that he is independent as that term is defined in the Ethical Rules of the AICPA.
- B. The auditor must represent that he is licensed to perform the audit as provided in the applicable laws of the Commonwealth of Virginia and that he possesses adequate professional proficiency for the tasks required.
- C. The auditor must represent that adequate supervision will be provided on a day-to-day basis.

IX. METHOD OF PAYMENT

The auditor will be paid based on the final billings for services, and the invoice must be received by the Commission on VASAP not later than sixty (60) days

after completion and acceptance of the audit. The Executive Director of the Commission on VASAP shall receive a copy of the audit directly from the auditors who perform the service.

- A. Interim billings are not to exceed 70% of said fee.
- B. Final payment is to be made upon approval of the report by the Commission

X. ATTACHMENTS

Attachment A – Data/Reference Sheet

Attachment B – ASAP Directory and Revenue Listing